

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

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February 3, 2004

**FROM:**       **DAVID H. SLAUGHTER**, Director  
Real Estate Services Department

**MARK UFFER**, Director  
Arrowhead Regional Medical Center

**RUDY LOPEZ**, Director  
Department of Behavioral Health

**SUBJECT:     LEASE AMENDMENT WITH CASA RAMONA**

**RECOMMENDATION:** Approve Amendment No. 1 to Lease Agreement No. 93-1027 with Casa Ramona, Inc., a California Non-Profit Corporation, to extend the term through September 30, 2008 for 56,760 square feet of land in San Bernardino for the Arrowhead Regional Medical Center (ARMC) and the Department of Behavioral Health (DBH) in the amount of \$108,000.

**BACKGROUND INFORMATION:** On September 20, 1982, the Board approved a ten-year lease agreement (No. 82-674) for ARMC's and DBH's use of 3,744 square feet of building and improvements funded by the County and City of San Bernardino (City) Community Development Block Grant Funding (CDBG) and built on land owned by Casa Ramona, Inc. On September 9, 1991, the Board approved Contract No. 91-918 for additional CDBG funding with the City to be used to design and construct a 3,200 square foot addition to the Westside Family Health Center for a total building area of 6,944 square feet. The departments requested Real Estate Services Department (RESA) negotiate a new lease with Casa Ramona, Inc. including the expanded area. On October 19, 1993, the Board approved a ten-year lease agreement, No. 93-1027, with two five-year options for 56,760 square feet of land, which includes a 6,944 square foot building. DBH uses approximately 1,500 square feet of the building for office space while ARMC uses the remaining 5,444 square feet of the building for clinic space. The term of Lease Agreement 93-1027 was from October 1, 1993 to September 30, 2003.

ARMC and DBH requested RESA exercise the first of two five-year options, which will extend the term to September 30, 2008. The lease has been in holdover since October 1, 2003 because negotiations with the landlord were delayed due to concerns regarding possible future expansion of the building and approval of this amendment by the Casa Ramona, Inc. board. The terms of the lease are summarized as follows:

Lessor:	Casa Ramona (Esther Estrada, Executive Director)
Location:	1543 W. 8 <sup>th</sup> Street, San Bernardino
Size:	56,760 square feet of land
Term:	Five years commencing, and retroactive to October 1, 2003
Options:	One five-year option remains

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	<u>Cost per sq. ft. per month</u>	<u>Monthly</u>	<u>Annual</u>
Rent: (old)	\$0.030	\$1,700	\$20,400
(new)	\$0.032*	\$1,800	\$21,600

\*Low-range for the San Bernardino area

Annual increases: None

Improvement costs: None

Custodial: Provided by County

Maintenance: Provided by County

Utilities: Provided by County

Right to terminate: County has the right to terminate with six-months notice

Parking: Sufficient for County needs

**REVIEW AND APPROVAL BY OTHERS:** This item has been reviewed by County Counsel (Fiona Luke, Deputy County Counsel, 387-5465) on October 31, 2003; ARMC (Colene Haller, Associate Administration, 580-6211) on December 10, 2003; DBH (Claudia Rozzi, Deputy Director, 387-7594) on December 15, 2003; Human Services System Administration [Bea Valdez (386-8145) and Carol Hughes (388-0211), Administrative Analysts] on January 26, 2004; and the County Administrative Office [Daniel R. Kopp (387-3828) and Patricia Cole (387-5346), Administrative Analysts] on January 26, 2004.

**FINANCIAL IMPACT:** The total cost of this five-year amendment is \$108,000. The total cost in 2003-04 will be \$21,300 (\$1,700 per month x three months and \$1,800 per month x nine months). Payments will be made from the Rents budget (AAA RNT) and prorata shares will be reimbursed from the ARMC budget (EAD MCR) and the DBH budget (AAA MLH). Sufficient appropriation is available in all budgets. Annual lease costs are as follows:

<u>Year</u>	<u>Annual lease cost</u>	<u>Estimate of other costs associated with this lease</u>
October 1, 2003 to September 30, 2004	\$21,600	\$3,500
October 1, 2004 to September 30, 2005	\$21,600	\$3,605
October 1, 2005 to September 30, 2006	\$21,600	\$3,708
October 1, 2006 to September 30, 2007	\$21,600	\$3,819
October 1, 2007 to September 30, 2008	\$21,600	\$3,934

**COST REDUCTION REVIEW:** The County Administrative Office has reviewed this agenda item, concurs with the departments' proposal, and recommends this action based on ARMC's and DBH's continuing need to provide services in the west San Bernardino area. The cost of this land lease is included in the ARMC and DBH budgets and will not require additional local cost. The County has the right to terminate with six-months notice.

**SUPERVISORIAL DISTRICTS:** Fifth

**PRESENTER:** David H. Slaughter, Director, 387-7813

BC 387-7814  
mf 387-7825

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